

## **ABSTRACT**

This paper examines the process of convergence among fifteen major Indian states during the period 1980-2010, a period of economic liberalization and accelerated economic growth. The main aim of the paper is to empirically check the impact of the economic reforms of 1991. These reforms have brought about a high increase in the growth rate of the country and India is now internationally recognized as one of the fastest growing country in the world. Data from 1980-2010 is used for the analysis. In this paper, unit root tests for individual states and for panel data are conducted to check for stationarity, the presence of which shows convergence especially in panel context. Tests are conducted for the entire sample period and then the data is bifurcated into pre-reform and post-reform periods. The results show that unlike common perception, the reforms of 1991 have not had much impact on the speed of convergence. This shows that the reforms, even if they increased the overall growth rate of the country exert differential impact at the state-level.